

California Partnership for the San Joaquin Valley
Publication Briefing on
Economic Development

Publication Title:	“California Regional Economies Project: San Joaquin Valley Economic Base Report”
Author(s)/Sponsor(s):	J.K., Inc. for the California Regional Economies Project sponsored by the CA Economic Strategy Panel and the CA Workforce Investment Board
Date of Release:	2004
Major Findings:	<ul style="list-style-type: none"> • Job Growth has been respectable in the SJV since 1990. Between 1990 and 2003, the SJV experienced a 24.9% increase in jobs, which was greater than the U.S. (16.4%), California (14.6%), the Bay Area (11.2%), and Southern California (8.2%). • Despite respectable job growth, per capita income in the SJV is the lowest in the state. In 2001, the SJV per capita income was \$21,317 compared to California (\$32,563) and the U.S. (\$30,413). From 1990 to 2001, growth in SJV per capita income was 30.2% compared to California (48.2%) and the U.S. (55.4%). • Affecting per capita income, the Valley’s unemployment rates are the highest in the state. In 2003, unemployment was 13.3% in the SJV, compared to California (6.7%) and the U.S. (6.0%). • Top ten industries in the SJV according to job growth (1990-2002): <ul style="list-style-type: none"> ○ All Government ○ Health Care and Social Assistance ○ Manufacturing ○ Retail Trade ○ Accommodations and Food Service ○ Construction ○ Administrative and Waste Services ○ Other Services (Except Public Administration) ○ Transportation & Warehousing ○ Management of Companies and Enterprises • See the full report for a detailed analysis of each industry.
Outcomes/Metrics:	Job growth, per capita income, unemployment rates, annual average wage growth
Major Recommendations:	No specific recommendations – analytical tool only.

California Partnership for the San Joaquin Valley
Publication Briefing for
Domain: The Economy

Publication Title:	“Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley: 2003-2003 Progress Report and Action Plan”
Author(s)/Sponsor(s):	The Federal Interagency Task Force, formerly chaired by Alphonso Jackson and the Department of Housing and Urban Development (HUD)
Date of Release:	June, 2004
Major Findings:	<ul style="list-style-type: none"> • Purpose of the Fed Task Force: “...to coordinate and improve existing federal efforts for the Valley, in concert with locally led efforts, to increase the standard of living and the overall economic performance of the Valley.” (p. 5) • Three Priorities: It has designated three economic development initiatives that serve as the focus and coordinating instrument for federally supported action in the Valley and that include measurable goals and outcomes. <ul style="list-style-type: none"> ○ <i>The Jobs Initiative</i> — Working with the Valley EDCs and the Fresno-based Regional Jobs Initiative on job creation programs. ○ <i>The Clean Air/Clean Energy Initiative</i>—an initiative whose primary goal is to improve air quality using strategies that create jobs as a by product ○ <i>The Financial Education Initiative</i>—an effort that strives to increase “banking relationships and access to financial services by Valley residents” (p. vii) with the purpose of increasing home ownership, small business development and personal savings. • Action Required to Change the Valley’s Conditions: The Valley’s startling economic and social indicators mirror the well-being of its residents and demand a concerted effort to coordinate scarce resources for its recovery.
Outcomes/Metrics:	<ul style="list-style-type: none"> • Investment in the region, both public and private • Job creation • Personal wealth • Poverty rate • Employment rate • Wages • Percentage use of federally insured financial institutions • Civic participation • Money spent on infrastructure, including housing

	<ul style="list-style-type: none"> • Air and water quality • Energy efficiency
Major Recommendations:	<ul style="list-style-type: none"> • Extend the Executive Order for the creation of the Interagency Task Force through 2008 (instead of 2006) • Maintain Continuity of Leadership—the system of rotating leadership among the 19 participating agencies has not produced the needed thought and leadership continuity. • Work in conjunction with the governor of California and state agencies that play a part in the three initiatives. • Encourage participation in the Task Force by all agencies listed in the executive order including identification of funding sources for staff, related operational costs and specific projects related to its work. • Work with the congressional delegation to make Valley projects a priority and give special preference to Valley projects in federal funding competitions, including revising the rules and definitions to make programs more accessible (i.e. the inconsistent ‘rural designation’ among federal programs). • Utilize the three Task Force initiatives as coordinating instruments for action in the Valley.

California Partnership for the San Joaquin Valley
Publication Summary
Domain: The Economy

Publication Title:	“The State of the Great Central Valley of California”
Author(s)/Sponsor(s):	Great Valley Center (GVC)
Date of Release:	January 2005
Major Findings:	<p>The GVC covers the Central Valley region of California (19 counties from Shasta to Kern). According to the organization’s research, there are major economic challenges facing the Valley summarized in the following four areas:</p> <ul style="list-style-type: none"> • Low per capita incomes • High unemployment • Rapid growth • Global competition
Outcomes/Metrics:	<p>The heart of this document lies in the analysis of 22 indicators that pertain to various aspects of economic and social well-being (with two relating to the non-profit sector). These include (by grouping):</p> <ul style="list-style-type: none"> • Population, Income and Housing: population growth, per capita income, residential building permits, housing affordability, and rental affordability • Business Vitality: job growth and labor force growth, annual unemployment rate, unemployment rate by month, wages by industry, employment by industry, employment changes by industry, retail sales, internet presence and tourism • Agriculture: Farm employment and wages, value of agricultural production, agricultural output ranking, and agricultural land conversion • Transportation, commerce and mobility: vehicle miles traveled and primary mode of transportation to work, vehicle hours of delay, and airport traffic and freight traffic
Major Recommendations:	<p>In response to major economic challenges that face the Valley and based on the social and economic indicators listed above, the Great Valley Center recommends six areas of action:</p> <ol style="list-style-type: none"> 1. Maintain agriculture as a core industry. 2. Continue to diversify the economy especially in emerging areas of opportunity such as renewable energy, pharmaceuticals and specialized crops. 3. Improve educational attainment to meet the demands of higher-skilled/wage jobs. 4. Provide a range of housing types including more rental units. 5. Address the emerging transportation challenges that have the potential of severely affecting the Valley’s already grave air quality problems. 6. Seek funding parity from public and private sources.

California Partnership for the San Joaquin Valley

Publication Summary

Publication Title:	“Innovation, Investment, Collaboration: A Statewide Action Agenda for Economic Vitality from California’s Regional Leaders”
Author(s)/Sponsor(s):	California Center for Regional Leadership on behalf of Governor Schwarzenegger’s Cabinet (sponsored by Pacific Gas and Electric Company and Bank of America)
Date of Release:	February 2005; Rural report released in July 2005
Major Findings:	<ul style="list-style-type: none"> • Focus on the “Complete Business Climate” by the State. Participants in the Economic Vitality Conversations (EVC) agreed that both reduction of negative factors and investment to compete in the global economy are of primary importance for California’s industries. • Negative factors to minimize in California: <ul style="list-style-type: none"> ○ Housing and energy costs, regulations ○ Taxes and fees ○ Budget and fiscal reform • Investment areas to improve competitiveness: <ul style="list-style-type: none"> ○ Education and workforce ○ Housing availability ○ Infrastructure and quality of life amenities • Economic advantage lies in California’s historical emphasis on innovation and productivity (not low cost). The authors note five building blocks that compose an adequate foundation for a culture of innovation and productivity: <ol style="list-style-type: none"> 1. Research excellence and knowledge base 2. Competitive-advantage industry clusters 3. Infrastructure and smart growth 4. Effective governance and regulations 5. Effective governance and civic leadership.
Outcomes/Metrics:	N/A. The document is dedicated to possible areas of action.
Major Recommendations:	<p>Several areas of action emerged that support the building blocks mentioned above, including:</p> <ul style="list-style-type: none"> • Promoting California externally but especially internally, by addressing critical issues to make the state a vibrant home for business. • Reform the <i>Worker’s Compensation</i> and the <i>health care and benefits system</i>. • Grow critical industries utilizing the State’s California Regional Economies Project as a ‘research and analytic foundation.’

	<ul style="list-style-type: none"> • <i>Education and workforce development</i> through effective coordination of agencies and efforts for a truly seamless workforce development system. • <i>Growth, infrastructure, planning and investment</i> through collaborative regional plans including incentives for participation. • <i>Housing</i>. Incentivize production through better sales and property tax policy. • Smart <i>energy and water</i> planning. • <i>Governmental reforms</i> to ensure efficient government (including customer service and regulations). • Create an <i>economic leadership network</i> supported by the State with strong partnerships in the private sector • Concerted <i>federal agenda</i> for equal share of funding and strategic targeting of research for the support of California industry. ○
Recommendations from the Central San Joaquin Valley EVC (Fresno, Summer 2004):	<ul style="list-style-type: none"> • Summary of points not mentioned above <ul style="list-style-type: none"> ○ Improve California's business climate through strategic incentives for doing business in under-served regions. ○ Comprehensively address chronic social and economic problems associated with the region including education and workforce development issues. ○ Fair infrastructure investment for the region at all levels of funding including state and federal. ○ Leverage existing strengths and create coordinated region-state structures focused on good economic strategy.
Recommendations from the Northern San Joaquin Valley EVC (Stockton, Summer 2004):	<ul style="list-style-type: none"> • Summary of points not mentioned above <ul style="list-style-type: none"> ○ Build upon the region's strengths including existing partnerships/collaboratives and the agricultural economy while marketing California as a strong environment for cluster-based industries to flourish. ○ Implement regulatory and structural reform including balancing the State budget, revenue generation and tax disbursement. ○ Implement a coherent financing system for infrastructure investment.
Recommendations from the Rural California Report:	<ul style="list-style-type: none"> • Summary of points not mentioned above <ul style="list-style-type: none"> ○ Entrepreneurs will be the drivers of growth in the rural communities. Business attraction should no longer be seen as the salvation. Rural communities must focus on "growing from within." ○ State government should focus on "asset sharing" and removal of funding silos between agencies, and support interagency collaboration and innovation, improving the access to capital, and streamlining the regulatory process. ○ Telecommunications Capacity – Rural areas need a level playing field and must "connect to compete." This is a critical infrastructure foundation.

	<ul style="list-style-type: none">○ Additional recommendations made in the areas of (1) health care, (2) housing and infrastructure, (3) workforce, (4) education and research, (5) innovation and emerging growth companies, (6) agriculture, forestry and land, (7) tourism and marketing, and (8) environmental sustainability as a business model.
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California Partnership for the San Joaquin Valley
Publication Briefing

Publication Title:	“Measure of California Agriculture 2000”
Author(s)/Sponsor(s):	Nicolai V. Kuminoff, Daniel Sumner, George Goldman, University of California Agricultural Issues Center
Date of Release:	November 2000
Major Findings:	<ul style="list-style-type: none"> • California farms have a major impact on the state’s whole economy. Were the farm activities eliminated a significant portion of the state’s economy would also stop functioning. <ul style="list-style-type: none"> ○ According to the U.S. Bureau of Economic Analysis, California’s Gross State Product (GSP) was \$1,368 billion. Farming accounted for 0.96% of the GSP at \$13 billion. If forestry and fishing, agricultural support services, and the food processing industry are added to the farm sector, the share of GSP increases to 2.5%. ○ For every dollar of value added generated by farming and agricultural related industries, there is an additional \$1.28 of Gross State Product. ○ California farm and related industries employ 9.4% of the state labor force and account for 5.2% of the state payroll. ○ For every 100 jobs created in agriculture, including the food industry, there are 94 additional jobs created throughout the state. • In the San Joaquin Valley, the importance of agriculture is even larger compared to the state as a whole. <ul style="list-style-type: none"> ○ Considering direct, indirect and induced multiplier effects, farms and “closely related industries” account for 38% of the regional employment, about 30% of the regional labor income, and 34% of the regional total value added. ○ <i>See attached chart for detailed information on the direct and total effects of agricultural production and processing in the San Joaquin Valley.</i>
Outcomes/Metrics:	Share of Gross State Product, industry output (\$), number of jobs, labor income, value added
Major Recommendations:	No specific recommendations; analytical only

Economic impact of San Joaquin Valley's agricultural production and processing, 2002¹

	Direct Effects				Total Effects		
	Industry Output \$M	Employment Number Jobs	Labor Income \$M	Value Added \$M	Employment Number Jobs	Labor Income \$M	Value Added \$M
Grains, oilseeds, cotton	815	8,368	146	349	19,127	419	755
Vegetables, fruits, nuts	7,380	73,077	1,946	4,388	160,132	4,192	7,658
Greenhouse, nursery	420	3,275	166	359	5,652	235	478
Other crops	1,147	9,224	208	592	22,481	548	1,108
Beef, dairy cattle	3,247	30,013	138	290	73,985	1,191	2,178
Other animals	617	3,346	77	197	7,450	201	416
Subtotal Farming	13,625	127,303	2,681	6,174	245,542	5,883	11,648
Forestry, fishing, hunting	888	3,444	156	328	15,154	467	763
Agricultural support ²	3,447	130,858	2,560	2,085	174,076	3,843	4,156
Total Agriculture	17,960	261,605	5,398	8,587	427,260	10,033	16,836
Food industry ³	16,045	51,672	2,169	4,111	178,659	5,973	10,732
Agriculture and food industry	34,005	313,277	7,567	12,698	601,102	16,580	28,345
Total San Joaquin Valley	147,716	1,588,703	55,411	82,999			

¹ San Joaquin Valley is San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare and Kern counties.

² This group includes fertilizer and pesticides manufacturing, soil preparation and harvesting services, contract labor, packing and cooling, cotton ginning.

³ This group includes beverages and animal feed industries.

California Partnership for the San Joaquin Valley
Publication Briefing on
Economic Development

Publication Title:	Preliminary Report on Federal Direct Expenditures and Possible Policy Issues Relating to the San Joaquin Valley
Author/Sponsor:	Congressional Research Service
Date of Release:	February 4, 2005
Major Findings:	<p>I. Federal Direct Expenditures and Obligations</p> <p>a. San Joaquin Valley vs. the United States</p> <ul style="list-style-type: none"> i. SJV: \$4,736 for FY02; U.S.: \$6,814; SJV more than \$2000 less per capita than U.S. ii. Differences for each country ranged between approximately \$1,200 to \$2,800 per capita less than U.S. <p>b. San Joaquin Valley vs. California</p> <ul style="list-style-type: none"> i. All SJV counties had a lower rate than that of California. ii. California: \$6,094 <p>c. Metro vs. Non-Metro</p> <ul style="list-style-type: none"> i. With the exception of Kings County, San Joaquin Valley counties are defined by the Census as metro counties. ii. Metro counties in the U.S. usually receive per capital federal expenditure rates than the national average, but the San Joaquin Valley metro counties did not. <p>d. San Joaquin Valley vs. Appalachian Regional Commission</p> <ul style="list-style-type: none"> i. 2002, SJV received \$1,295 per capita less (21%) than ARC <p>e. Adjacent County Comparison</p> <ul style="list-style-type: none"> i. Mariposa and Tuolumne counties, adjacent to the SJV: rates were higher in 2002 than SJV counties. However, these rates were still lower than the national average. <p>f. Population Growth in the San Joaquin Valley</p> <ul style="list-style-type: none"> i. 1990-2003, SJV: 30.6% growth; CA: 19.2%; U.S. 16.9% ii. 2002-2003, SJV grew approx. 280,000 but federal expenditures per capita dropped \$117. <p>g. Madera County</p> <ul style="list-style-type: none"> i. One of 10 lowest per capita income metro areas in U.S. in 2002 ii. Decrease in federal expenditures of approx. \$150 from 2002 to 2003; but population grew by over 10,000 (8.4%) between 2000 and 2003. iii. Highest growth rate in Valley from 1990 to 2003 (51.5%). <p>II. Socioeconomic Characteristics of the San Joaquin Valley</p> <p>a. Population</p> <ul style="list-style-type: none"> i. Each SJV county exceeded national population growth rate between 1980-1990, 1990-2000, and 1990-2003. ii. Each SJV county substantially outpaced the growth of California in the previous two decades.

b. Population Projections

- i. 2003-2010 growth, SJV: 14.3%; CA: 10.6%; U.S.: 6.2%
- ii. 2003-2020 growth, SJV: 39.0%; CA: 23.6%; U.S.: 15.5%

c. Poverty and Income

- i. 2000 poverty rates, SJV: 20.5%, CA: 14.2%; ARC: 13.6%
- ii. During the 1990s, poverty grew significantly in the Valley
- iii. Poverty rates for the ARC region from 1980-2000 were significantly lower than those of the SJV counties.

d. Immigration

- i. Since 1995, more people coming into Valley than leaving
- ii. Madera, Fresno, Kings, Tulare, and Kern counties received the most international migrants of any area of the Valley.
- iii. These counties are also characterized by high rates of poverty among immigrants.

III. San Joaquin Water Quality Issues

- a.** Increased **salinity** in the lower San Joaquin River is the most serious water quality issue. Other concerns include:
- b.** Elevated concentration of naturally occurring **trace elements**.
- c.** Increased **pesticide contamination** of ground & surface water.
- d.** Increased **nitrate** concentrations in groundwater.
- e.** Reduced concentrations of dissolved oxygen in the San Joaquin River attributed to discharge of wastewater from municipal **sewage treatment** plants.
- f. Note:** The San Joaquin River's quality is critical because it flows into the Sacramento-San Joaquin Delta, which supplies Valley farm irrigation and feeds into the California Aqueduct.

IV. Air Quality Issues

- a. Ozone** – The Valley is one of only two “extreme nonattainment” air basins in the country.
- b. Improvement** – Failed to significantly improve ozone concentrations and the number of days of exceeding air quality standards since the early 1980s.
- c. Geography** – The Valley's lack of progress may be due to air pollutants transported into the Valley from the Bay area.
- d. Agriculture** – Agriculture sources of emissions have been subject to few air quality regulations until recently.
- e. Particulates** – the Valley is one of nine “serious nonattainment” zones in the country for particulates (PM₁₀) and a “nonattainment” zone for fine particulates (PM_{2.5}).

V. Transportation Issues

- a.** Federal funding is under the control of CalTrans.
- b.** Interstate 5 is designated as High Priority Corridor 30 on the National Highway System, which makes it eligible for the existing federal corridors and borders program (CORBOR).
- c.** If State Route 99 were added to corridor 30 or designated as a new corridor, it could also be eligible for federal, corridor funding.
- d.** Other proposed programs that could benefit the Valley's transportation needs include:
 - i. Infrastructure Performance & Maintenance Program
 - ii. Projects of National & Regional Significance Program

Outcomes/ Metrics:	<p>This report tracks a number of social and economic indicators related to direct federal expenditures and obligations, such as per capita income, poverty and unemployment rates, and median household income, as well as environmental, agricultural and transportation-related concerns.</p>
Major Recommendations:	<p>No specific recommendations – analytical tool only.</p>